C.L. Butch Otter, Governor

Paul Kjellander, Commissioner Marsha Smith, Commissioner Kristine Raper, Commissioner

Case No. UWI-W-15-01, Order No. 33398

Notice of Proposed Settlement, Notice of Public Comment and Public Hearing

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www.puc.idaho.gov

Parties to United Water case announce proposed settlement

BOISE (October 26, 2015) – Rates for United Water Idaho customers would go up about 6%, or about \$1.25 per month during 2016 and another 1.4% in 2017 if a settlement proposed by parties to a general rate case is approved by the Idaho Public Utilities Commission.

United Water Idaho initially proposed a one-year 13.2% increase, with an additional \$5.88 million in annual revenue. The proposed settlement reduces that to \$2.73 million in 2016 and \$670,000 in 2017. Under the proposed settlement, the monthly increase to standard residential customers with up to a three-quarter inch meter would be from \$20.80 to \$22.05, effective Dec. 16, 2015.

The commission will conduct a technical hearing on the proposed settlement on Thursday, Nov. 19 at 9:30 a.m. in the commission hearing room at 472 W. Washington St. A public hearing is also scheduled that evening at 7 p.m. in the commission hearing room. The commission is also accepting written comment through the same date. Written comment carries as much weight as public testimony.

The proposed settlement also directs the company to increase its contribution to its "United Water Cares" program from \$65 to \$75 per customer per year. The program provides financial assistance to low-income customers. None of the program's costs are included in customer rates. United Water Idaho currently serves more than 90,000 customers in Ada County.

Parties to the settlement include United Water, commission staff and the Community Action Partnership Association of Idaho.

United Water applied for the increase on May 21. The commission suspended the company's application for six months to allow time for its staff of auditors, engineers, technical analysts and attorneys to review the case. The commission cannot, by state law, arbitrarily refuse to consider rate increase requests without first considering the evidence presented by the utility, intervening parties and customers. The burden of proof is on the utility to justify the expenses it seeks to recover as 1) necessary to serve customers and 2) prudently incurred.

United Water claims the increase is needed to recoup more than \$39 million of investment in its water system since the last rate case in 2011. The capital improvements include \$17.2 million to replace aging water mains and meters, \$3.5 million to replace treatment facilities, \$900,000 for a replacement storage tank in the Bogus Basin Road area and \$500,000 for auxiliary power equipment to ensure uninterrupted water supply during electric outages.

Comments are accepted via e-mail at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (UWI-W-15-01) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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